

TEXAS

FABRICATED METAL PRODUCTS MANUFACTURING

Fabricated metal products manufacturing is the largest manufacturing subsector in Texas, accounting for 14.2 percent of Texas' manufacturing jobs in 2016. This subsector uses purchased metal shapes and further fabricates them into intermediate or end-use products. The processes employed include shaping individual pieces of metal (through forging, stamping, bending and forming) and joining separate parts together (through welding, machining and assembly). Demand for these products is linked to other industrial needs and overall economic growth.

186,760
DIRECT & INDIRECT EMPLOYMENT

\$14.2 Billion
STATE SUBSECTOR GDP

\$59,000
AVERAGE ANNUAL WAGE

\$7.7 Billion
EXPORTS

Sources: U.S. Bureau of Economic Analysis, Regional Economic Models, Inc., Emsi, U.S. Department of Commerce International Trade Administration

INDUSTRIES IN THE FABRICATED METAL PRODUCTS SUBSECTOR

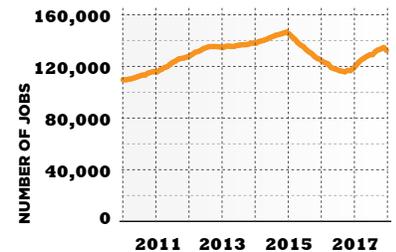
Several industries in this subsector have a higher share of employment in Texas than nationally, as gauged by location quotient (LQ), a measure comparing an industry's share of jobs in a specific region with its share of nationwide employment. Of these industries in Texas, the architectural and structural metals industry has the highest LQ value at 1.40, meaning the industry's share of total employment is 40 percent higher in Texas than in the U.S. as a whole. Such levels of employment concentration can indicate a regional "industry cluster."

The highest level of subsector concentration is in the Southeast Texas region, with a share of these jobs 80 percent higher than its nationwide share.

	DIRECT JOBS 2016	AVERAGE TEXAS SALARIES 2016	LOCATION QUOTIENT 2016
SUBSECTOR TOTALS	118,060	\$58,662	1.00
FORGING AND STAMPING	4,001	\$64,989	0.50
CUTLERY AND HANDTOOL MANUFACTURING	1,279	\$50,503	0.41
ARCHITECTURAL AND STRUCTURAL METALS MANUFACTURING	42,806	\$54,171	1.40
BOILER, TANK AND SHIPPING CONTAINER MANUFACTURING	9,617	\$65,234	1.27
HARDWARE MANUFACTURING	1,014	\$53,256	0.49
SPRING AND WIRE PRODUCT MANUFACTURING	2,971	\$51,902	0.84
MACHINE SHOPS; TURNED PRODUCTS; AND SCREW, NUT, AND BOLT MANUFACTURING	20,767	\$53,516	0.71
COATING, ENGRAVING, HEAT TREATING AND ALLIED ACTIVITIES	9,863	\$51,988	0.87
OTHER FABRICATED METAL PRODUCT MANUFACTURING	25,742	\$70,801	1.15

Source: Emsi

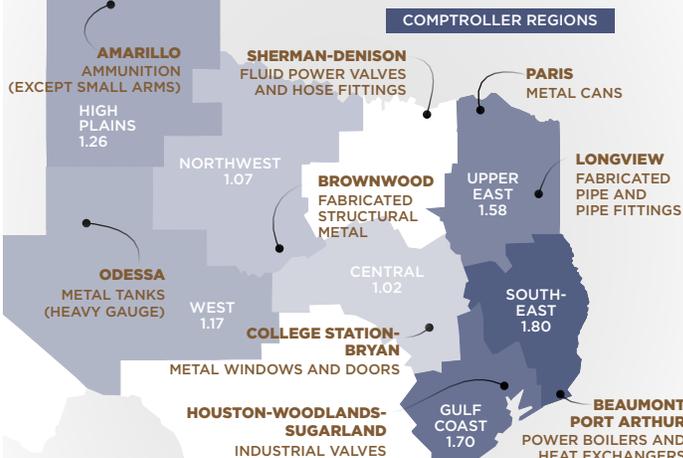
RECENT EMPLOYMENT RECOVERY



This subsector suffered job losses in Texas beginning in January 2015, coinciding with declining energy prices. Recently, however, its employment has begun to recover, adding 14,000 jobs from December 2016 to December 2017.

Sources: Texas Workforce Commission, Texas Comptroller of Public Accounts

REGIONAL SUBSECTOR LQs AND AREAS OF INDUSTRY SPECIALIZATION BY METRO AREA



Sources: Emsi, Texas Comptroller of Public Accounts

CONCLUSION

The fabricated metal products subsector is more labor-intensive than manufacturing as a whole. Labor compensation accounts for 65 percent of the value added in this subsector, compared to 46 percent for all manufacturing activity.

Demand for products in this subsector is driven by regional needs and other industrial activity. The recent decline in energy prices caused a slowdown in demand, but subsector jobs have recovered in recent months as energy prices stabilize.

To see more in-depth Texas manufacturing data, visit:

comptroller.texas.gov/economy/economic-data/manufacturing/

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